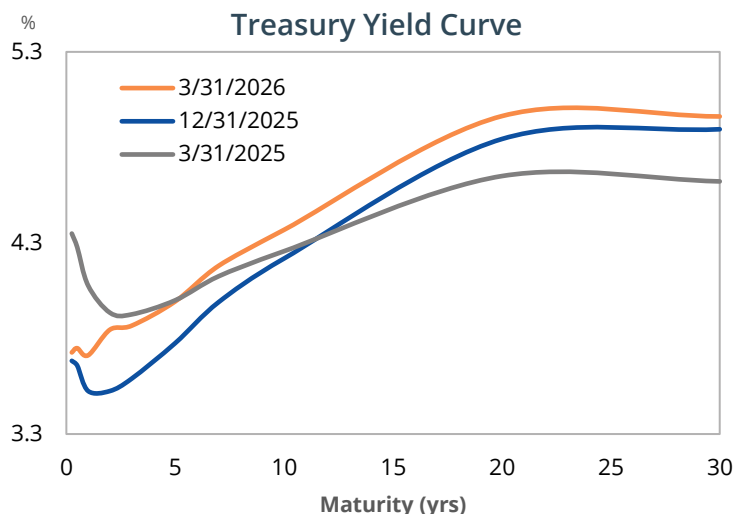


MARKET NEWS

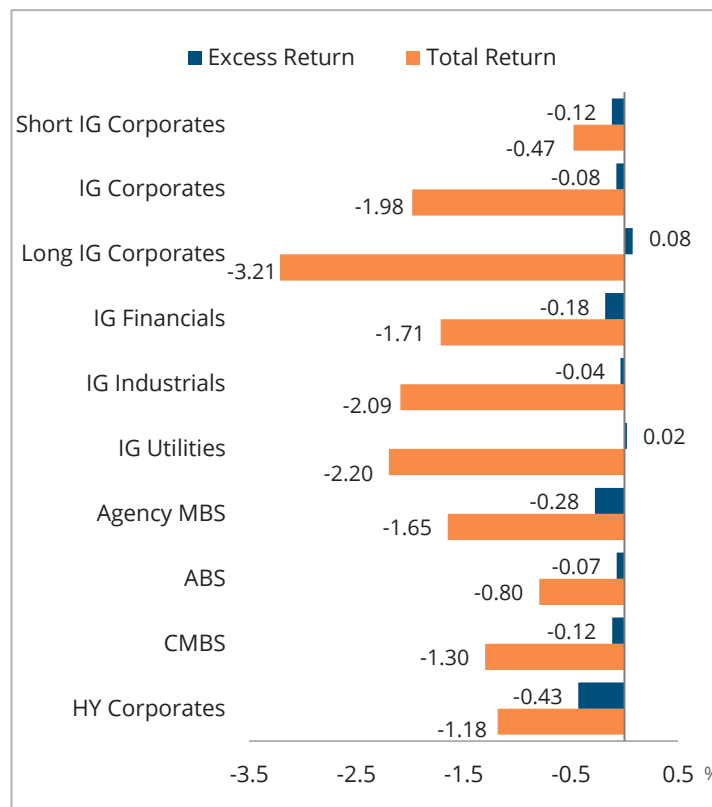
- Markets remained resilient in March despite heightened rate and spread volatility stemming from the ongoing conflict between the US-Israel and Iran
 - Shipping disruptions in the Strait of Hormuz sparked sharp moves in energy markets and introduced concerns about heightened inflation
 - West Texas (WTI) crude and Brent oil rose over 51% and 62%, respectively, while TTF natural gas increased by 57%
- The Federal Reserve (Fed) kept the fed funds target range unchanged at 3.50% - 3.75%, citing elevated inflation and recent labor market developments as downside risks; geopolitical uncertainty also influenced their decision
 - The updated dot plot shows just one expected cut in 2026; however, renewed energy-driven inflation fears ignited speculation about a potential rate hike
 - CPI grew 2.4% year-over-year in February, which was in line with expectations; January's Core PCE rose to 3.1% year-over-year, which was above forecasts of 3.0%
 - February non-farm payrolls decreased by 92k, below estimates, while the unemployment rate increased to 4.4%
- Treasury rate volatility continued in March, driven by oil-related inflation concerns and heavy corporate issuance, as the spread between the 2- and 30-year rates tightened 12bps to 111bps
- Investment-grade (IG) issuance totaled \$237 billion – exceeding dealer forecasts to become the second busiest March on record
 - Investment-grade (IG) corporates posted the biggest monthly loss in March since October 2024, as IG spreads widened 5bps to 89bps; Energy and Insurance were two of the best performing sectors, while Banking lagged other corporate sub-sectors
- High-yield (HY) corporate spreads widened to 335bps intra-month, then retraced on hopes that the conflict with Iran is nearing an end; spreads closed the month at 317bps, 26bps wider month-over-month
 - Lower-quality issuers outperformed higher-quality issuers, with CCCs outperforming BBs by 18bps
 - HY supply totaled \$21 billion in March, led by two large acquisition financing deals, which accounted for half of the month's issuance
- Agency mortgage-backed securities (MBS) underperformed other securitized sectors, pressured by rate volatility and rising mortgage rates; MBS spreads widened 3bps to 24bps
- Municipal bonds underperformed Treasuries as muni/Treasury ratios rose across the curve

MARKET STATISTICS



Maturity	2-year	5-year	10-year	20-year	30-year
3/31/26	3.80	3.94	4.32	4.91	4.91
MTD Change	0.42	0.44	0.38	0.36	0.30
YTD Change	0.32	0.22	0.15	0.12	0.07

MTD Returns



As of 3/31/26. Sources: Bloomberg

Excess returns are the curve-adjusted excess return of a given index relative to a term structure-matched position in Treasuries. This is not a recommendation to purchase or sell the securities mentioned above. The views contained in this report are those of Income Research + Management ("IR+M") and are based on information obtained by IR+M from sources that are believed to be reliable but IR+M makes no guarantee as to the accuracy or completeness of the underlying third-party data used to form IR+M's views and opinions. This report is for informational purposes only and is not intended to provide specific advice, recommendations, or projected returns for any particular IR+M product. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission from Income Research + Management. "Bloomberg®" and Bloomberg Indices are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by IR+M. Bloomberg is not affiliated with IR+M, and Bloomberg does not approve, endorse, review, or recommend the products described herein. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to any IR+M product.